

AMENDED IN ASSEMBLY APRIL 27, 2005

AMENDED IN ASSEMBLY APRIL 7, 2005

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 838

Introduced by Assembly Member Saldana

February 18, 2005

An act to add and repeal Sections 17052.11 and 23611 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 838, as amended, Saldana. Income and corporation taxes: credits: ~~hybrid~~ *qualified* vehicles.

The Personal Income Tax Law and the Corporation Tax Law authorize various credits against the taxes imposed by those laws.

This bill would authorize a credit against those taxes for each taxable year beginning on or after January 1, 2005, and before January 1, ~~2013~~ 2011, in an amount equal to the *specified percentages of the* vehicle license fees paid during the taxable year for the *initial* registration of a ~~hybrid~~ *qualified* vehicle, as defined.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 *SECTION 1. Section 17052.11 is added to the Revenue and*
- 2 *Taxation Code, to read:*

17052.11. (a) For each taxable year beginning on or after January 1, 2005, and ending on or before January 1, 2011, there shall be allowed as a credit against the “net tax,” as defined in Section 17039, an amount equal to a percentage, as specified in subdivision (c), of the vehicle license fee paid during the taxable year for the initial registration of a qualified vehicle.

(b) For purposes of this section, “qualified vehicle” means a new vehicle that qualifies as any of the following:

(1) A hybrid vehicle or an alternative fuel vehicle that meets California’s Zero Emission Vehicle (ZEV) standards.

(2) A hybrid vehicle or an alternative fuel vehicle that meets California’s advanced technology partial zero-emission vehicle (ATPZEV) standard for criteria pollutant emissions.

(3) A hybrid vehicle that meets California’s ultra-low emission vehicle (ULEV), super ultra-low emission vehicle (SULEV), or partial zero-emission vehicle (PZEV) standards.

(c) (1) Except as provided in paragraph (2), the percentage amount for purposes of subdivision (a) is as follows:

Type of Vehicle	Percentage Amount
ZEV.....	100
PZEV.....	90
ATPZEV.....	85
SULEV.....	80

(2) For a ULEV the percentage amount is equal to the ULEV’s miles per gallon (mpg) rating on the highway by the Environmental Protection Agency, as follows:

Miles per Gallon	Percentage Amount
75 or above.....	75
33 but less than 75.....	equal to mpg
less than 33	0

(d) No deduction shall be allowed for any cost for which a credit is allowed by this section.

(e) In the case where the credit allowed by this section exceeds the “net tax,” the excess may be carried over to reduce the “net

tax” in the following year, and succeeding years if necessary, until the credit is exhausted.

(f) This section shall remain in effect only until January 1, 2011, and as of that date is repealed.

SEC. 2. Section 23611 is added to the Revenue and Taxation Code, to read:

23611. (a) For each taxable year beginning on or after January 1, 2005, and ending on or before January 1, 2011, there shall be allowed as a credit against the “tax,” as defined in Section 23036, an amount equal to a percentage, as specified in subdivision (c), of the vehicle license fee paid during the taxable year for the initial registration of a qualified vehicle.

(b) For purposes of this section, “qualified vehicle” means a new vehicle that qualifies as any of the following:

(1) A hybrid vehicle or an alternative fuel vehicle that meets California’s Zero Emission Vehicle (ZEV) standards.

(2) A hybrid vehicle or an alternative fuel vehicle that meets California’s advanced technology partial zero-emission vehicle (ATPZEV) standard for criteria pollutant emissions.

(3) A hybrid vehicle that meets California’s ultra-low emission vehicle (ULEV), super ultra-low emission vehicle (SULEV), or partial zero-emission vehicle (PZEV) standards.

(c) (1) Except as provided in paragraph (2), the percentage amount for purposes of subdivision (a) is as follows:

Type of Vehicle	Percentage Amount
ZEV.....	100
PZEV.....	90
ATPZEV.....	85
SULEV.....	80

(2) For a ULEV the percentage amount is equal to the ULEV’s miles per gallon (mpg) rating on the highway by the Environmental Protection Agency, as follows:

	<i>Miles per Gallon</i>	<i>Percentage Amount</i>
1		
2		
3	75 or above.....	75
4	33 but less than 75.....	equal to mpg
5	less than 33	0
6		

(d) No deduction shall be allowed for any cost for which a credit is allowed by this section.

(e) In the case where the credit allowed by this section exceeds the “tax,” the excess may be carried over to reduce the “tax” in the following year, and succeeding years if necessary, until the credit is exhausted.

(f) This section shall remain in effect only until January 1, 2011, and as of that date is repealed.

SEC. 3. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

SECTION 1. ~~Section 17052.11 is added to the Revenue and Taxation Code, to read:~~

~~17052.11. (a) For each taxable year beginning on or after January 1, 2005, and ending on or before December 31, 2012, there shall be allowed as a credit against the “net tax,” as defined in Section 17039, an amount equal to the annual vehicle license fee paid during the taxable year for the registration or renewal of the registration of a qualified vehicle.~~

~~(b) For purposes of this section a “qualified vehicle” means any vehicle that qualifies as either of the following:~~

~~(1) A hybrid vehicle or an alternative fuel vehicle that meets California’s advanced technology partial zero-emission vehicle (AT PZEV) standard for criteria pollutant emissions.~~

~~(2) A hybrid vehicle that meets California’s ultra-low emission vehicle (ULEV), super ultra-low emission vehicle (SULEV), or partial zero-emission vehicle (PZEV) standards.~~

~~(c) In the case where the credit allowed by this section exceeds the “net tax,” the excess may be carried over to reduce the “net tax” in the following year, and succeeding years if necessary, until the credit is exhausted.~~

~~(d) This section shall remain in effect only until January 1, 2013, and as of that date is repealed.~~

SEC. 2. ~~Section 23611 is added to the Revenue and Taxation Code, to read:~~

1 ~~23611. (a) For each taxable year beginning on or after~~
2 ~~January 1, 2005, and ending on or before December 31, 2012,~~
3 ~~there shall be allowed as a credit against the “tax,” as defined in~~
4 ~~Section 23036, an amount equal to the annual vehicle license fee~~
5 ~~paid during the taxable year for the registration or renewal of the~~
6 ~~registration of a qualified vehicle.~~

7 ~~(b) For purposes of this section a “qualified vehicle” means~~
8 ~~any vehicle that qualifies as either of the following:~~

9 ~~(1) A hybrid vehicle or an alternative fuel vehicle that meets~~
10 ~~California’s advanced technology partial zero-emission vehicle~~
11 ~~(AT PZEV) standard for criteria pollutant emissions.~~

12 ~~(2) A hybrid vehicle that meets California’s ultra-low emission~~
13 ~~vehicle (ULEV), super ultra-low emission vehicle (SULEV), or~~
14 ~~partial zero-emission vehicle (PZEV) standards.~~

15 ~~(c) In the case where the credit allowed by this section exceeds~~
16 ~~the “tax,” the excess may be carried over to reduce the “tax” in~~
17 ~~the following year, and succeeding years if necessary, until the~~
18 ~~credit is exhausted.~~

19 ~~(d) This section shall remain in effect only until January 1,~~
20 ~~2013, and as of that date is repealed.~~

21 ~~SEC. 3. This act provides for a tax levy within the meaning of~~
22 ~~Article IV of the Constitution and shall go into immediate effect.~~